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Title/Name of Regulation:

Increasing the Hourly Wage for Overtime Hours Worked

Purpose (Intended) of Regulation (1-3 Sentences):

Requires that all employers pay time-and-a-half the standard wage rate to workers working overtime hours (hours in excess of 40hrs per week).

Key Stakeholders: Hourly employees, small firms (employers), large firms (employers), the healthcare industry, retail and services establishments, associations

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1. Name the Intended Beneficiaries and Benefit Type

2. When will each beneficiary realize the intended benefits?

- **Government:**
- **Industry/Firms:**
- **Consumer, Civil Society:** The intended beneficiaries are hourly wage earners who will benefit from increased wages for any overtime hours worked once the regulation is enacted.

Does the regulation offer/provide certain firms or individuals a competitive advantage such as preferential access to inputs, pricing advantages, et.al?

The regulation provides larger businesses with an advantage if smaller firms are forced to leave the industry due to inability to meet the higher wage rates for overtime.

Younger employees may have a comparative advantage over older employees who may not be able to work the overtime hours.

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Name the Expected (Actual) Beneficiaries and Benefit Type (Reproduce Table for Additional Beneficiaries)

Beneficiary (specify for each subgroup)	Economic or Social/ Political	Direct	Size 1-5	Scope 1-5	Time 1-5	Indirect or Induced	Size 1-5	Scope 1-5	Time 1-5
Government	Economic	Income Taxes	2	1	1	Government Employment	1	1	1
		Subtotal	2	1	1	Subtotal	1	1	1
	Social/ Political					Favorable public perception of government	2	1	1
		Subtotal				Subtotal	2	1	1
		Subtotal Government	2	1	1	Subtotal Government	3	2	2
Industry/Firms	Economic	Large firms	2	1	1	Health Industry	1	1	2
						Service and Retail Sector	1	1	1
		Subtotal	2	1	1	Subtotal	2	2	3
	Social/ Political	Favorable reputation for large firms	3	2	1				
		Subtotal	3	2	1	Subtotal	2	2	3
		Subtotal Industry/Firms	5	3	2	Subtotal Industry/Firms	2	2	3
Consumer/ Society	Economic	Hourly Employees	4	2	2	Organizations representing employees	1	1	1
		Subtotal	4	2	2	Subtotal	1	1	1
	Social/Political					Increased morale	2	1	1
		Subtotal				Subtotal	2	1	1
		Subtotal Consumer/ Society	4	2	2	Subtotal Consumer/Society	3	2	2
Total			11	6	5		8	6	7

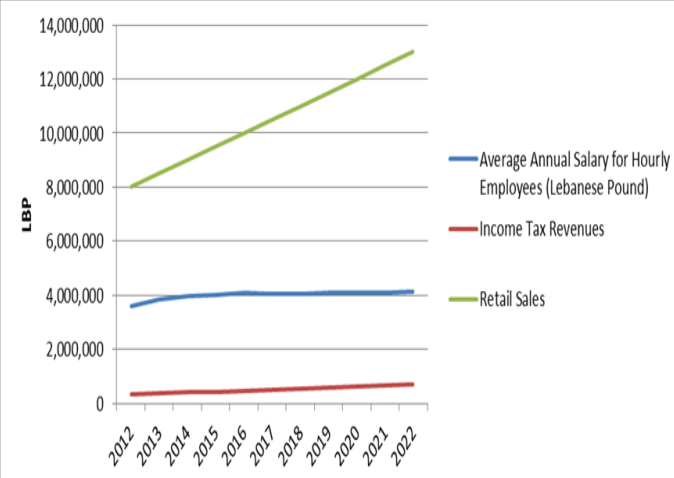
Definition of Beneficiaries

Direct=beneficiaries that are directly impacted as a result of the regulation (e.g., if the government issues a regulation to reduce pollution by prohibiting the dumping of waste near beaches, the swimmers are direct beneficiaries because they can now swim in clean water)

Indirect=additional beneficiaries that may be impacted as a result of the regulation (e.g., retail store owners whose revenue may increase as a result of added tourism in unpolluted coastal areas)

Induced=beneficiaries that are impacted as a result of actions by affected economic agents (e.g., as a result of the pollution regulation the general public may now experience fewer health problems easing pressure on payment of health benefits by employers)

Plot Data Over Time



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Name the Intended Cost Bearer and Cost Type

- **Government:**
- **Industry/Firms:**

The intended cost bearers are all employers whose labor costs would increase for overtime hours.

- **Consumer, Civil Society:**

When will each cost bearer be expected to pay the costs of the regulation?

Assessment of the ability of each cost bearer to avoid or shift the costs of the regulation, for example:

Large firms may be able to avoid the costs by hiring additional labor to work 40hrs per week rather than paying existing employees to work overtime. Also, larger firms that gain market share, and additional market power, as a result of smaller firms leaving the industry may be able to increase their prices while maintaining the level of demand for their produced goods; the increased prices for the goods produced may include the added costs of overtime wages (shifted).

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Name the Expected (Actual) Cost Bearer and Cost Type (Reproduce Table for Additional Cost Bearers)

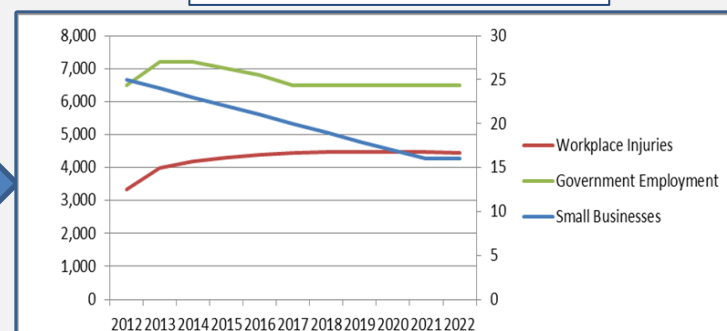
Cost Bearer (specify for each subgroup)	Economic or Social/ Political	Direct	Size 1-5	Scope 1-5	Time 1-5	Indirect or Induced	Size 1-5	Scope 1-5	Time 1-5
Government	Economic	Monitoring Regulation	2	2	1	Additional Resources and Staffing	1	1	1
		Subtotal	2	1	1	Subtotal	1	1	1
	Social/ Political					Small firm-public perception of government	1	1	1
		Subtotal				Subtotal	1	1	1
		Subtotal Government	2	1	1	Subtotal Government	2	2	2
Industry/Firms	Economic	Firms which offer overtime	3	2	4	Insurance Costs	2	1	2
		Healthcare providers	2	1	1	Firms that do not offer overtime	2	1	2
		Subtotal	5	3	5	Subtotal	4	2	4
	Social/ Political								
		Subtotal Industry/Firms	5	3	5	Subtotal Industry/Firms	4	2	4
Consumer/Society	Economic								
		Subtotal				Subtotal			
	Social/ Political	Overtime workers-less leisure	2	1	2	Over time workers increased stressed	1	1	2
		Subtotal				Subtotal	1	1	2
		Subtotal Consumer/Society	2	1	2	Subtotal Consumer/Society	1	1	2
Total			9	5	8		7	5	8

Definition of Cost Bearers

Direct=cost bearers that are directly impacted as a result of complying with a regulation (e.g., if the government requires all vehicles to have seat belts the auto manufacturers will be the direct cost bearers due to added production costs)

Indirect=additional cost bearers that may be impacted as a result of the regulation (e.g., employers' overhead costs for added employees to make and install the seat belts)

Induced=cost bearers that may be impacted as a result of actions by affected economic agents but were not intended cost bearers by the regulator (e.g., consumers who are now paying more for vehicles with seat belts)

Plot Data Over Time

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Final RIA Assessment	
Stakeholder Benefits	Values
Direct and Indirect	
Government Subtotal	11
Industry/Firms Subtotal	17
Consumer/Society Subtotal	15
Total Benefits	43
Stakeholder Costs	Values
Direct and Indirect	
Government Subtotal	10
Industry/Firms Subtotal	23
Consumer/Society Subtotal	9
Total Costs	42
Benefit / Cost Ratio	43/42=1.02

Sample Benefit to Cost Ratio

$$\frac{43}{42} = 1.02$$

>1 = Net Benefits, Accept
<1 = Net Costs, Reject